



OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE ARTESIA REDEVELOPMENT AGENCY AGENDA REPORT

MEETING DATE:
08/20/2012

CONTROL NO:

ITEM NO:

SUBJECT: APPROVAL OF ACTION MINUTES OF THE OVERSIGHT BOARD

FROM: GLORIA CONSIDINE, BOARD SECRETARY

PRESENTATION BY: GLORIA CONSIDINE, BOARD SECRETARY

BACKGROUND:

As part of the State budget process in 2012, the Legislature passed AB 1484: Redevelopment Dissolution/Unwind Trailer Bill. The purpose of the bill is to make technical and substantive amendments to the Dissolution Act based on experience to date at the state and local level in implementing that act. As a budget "trailer bill". AB 1484 took immediate effect upon signature by the Governor. This includes significant new or modified actions and deadlines, with major compliance consequences, that need to be implemented throughout the Summer and Fall of 2012.

One of the new requirements is that all Oversight Board Actions must be done by resolution (Health & Safety Code Section 34179 (e)). While one might reason that this requirement was not meant to apply to approval of meeting minutes, since there is no exception noted, staff is erring on the side of caution. Resolution No. OB 12-07, then, approves the minutes of the May 2, 2012 and July 3, 2012 Oversight Board meetings. Minutes of future meetings will also be adopted by resolution unless the matter is clarified by the State.

FISCAL IMPACT: There is no fiscal impact related to this action item.

ATTACHMENTS: Resolution No. OB 12-07
Minutes of May 2, 2012
Minutes of July 3, 2012

RESOLUTION NO. OB 12-07

**A RESOLUTION OF THE OVERSIGHT BOARD FOR THE SUCCESSOR
AGENCY TO THE ARTESIA REDEVELOPMENT AGENCY
APPROVING ACTION MINUTES FOR THE OVERSIGHT BOARD
MEETINGS OF MAY 2, 2012 AND JULY 3, 2012**

RECITALS:

A. Health and Safety Code Section 34179 (e), as amended by AB 1484, provides that all actions of Oversight Boards to redevelopment Successor Agencies are to be adopted by resolution.

B. One action required at most Oversight Board meetings is the approval of the minutes of the Board's prior meeting(s).

C. Since this is an action of the Oversight Board, approval of action minutes must be done by resolution to be in conformance with AB 1484.

**NOW, THEREFORE, THE OVERSIGHT BOARD FOR THE SUCCESSOR
AGENCY TO THE ARTESIA REDEVELOPMENT AGENCY, HEREBY FINDS,
DETERMINES, RESOLVES, AND ORDERS AS FOLLOWS:**

Section 1. The above recitals are true and correct and are a substantive part of this resolution.

Section 2. This Resolution is adopted pursuant to AB 1484.

Section 3. The Oversight Board for the Successor Agency hereby approves the action minutes of May 2, 2012 and July 3, 2012, as presented.

Section 4. The officers and the staff of the Successor Agency are hereby authorized and directed, jointly and severally, to do any and all things which they may deem necessary or advisable to effectuate this Resolution.

PASSED, APPROVED AND ADOPTED this 20th day of August, 2012.

WILLIAM HOLT, CHAIRMAN

ATTEST:

GLORIA CONSIDINE, BOARD SECRETARY

I, GLORIA CONSIDINE, Board Sec of the City of Artesia, do hereby certify that the foregoing Resolution was introduced and adopted at a regular meeting of the City Council of the City of Artesia held on the 9th day of July, 2012, by the following vote:

AYES:	COUNCILMEMBERS:
NOES:	COUNCILMEMBERS:
ABSENT:	COUNCILMEMBERS:
ABSTAIN:	COUNCILMEMBERS:

GLORIA CONSIDINE
CITY CLERK

**MINUTES FOR THE
SPECIAL MEETING OF THE
OVERSIGHT BOARD FOR
SUCCESSOR AGENCY TO THE ARTESIA REDEVELOPMENT AGENCY**

**Location:
ARTESIA CITY COUNCIL CHAMBERS
Wednesday, May 2, 2012
10:00AM**

ROLL CALL:

**Present: Board Members: William Holt, Maria Dadian, Kathrin Wardle,
Ali Delawalla, Toan Nguyen and George Ray**

Absent: Board Member Becky Lingad

CALL TO ORDER:

Rhonda Rangel, Oversight Board Administrative Staff, called the meeting to order at 10:05 a.m.

OATH OF OFFICE:

Gloria Considine, Secretary to the Successor Agency, administered Oath of Office to the Board.

ADMINISTRATIVE MATTERS:

- 1. Self-Introductions of Newly Appointed Oversight Board Members and Staff:
(12-2096)**

Board Members: Maria Dadian, William Holt, Kathrin Wardle, Ali Delawalla, Toan Nguyen and George Ray provided brief introductions and the following staff members were also introduced:

- Gloria Considine, Secretary to the Successor Agency**
- Teresa Ho-Urano, Assistant General Counsel to the Successor Agency**

- **Rhonda Rangel, Los Angeles County Board of Supervisors, Executive Office**

2. Election of Chair and Vice Chair for the Oversight Board: (12-2097)

Nominations were opened from the floor for Chair. Board Member William Holt was unanimously elected as Chair of the Oversight Board.

Nominations were opened from the floor for Vice Chair. Board Member Maria Dadian was unanimously elected as Vice Chair of the Oversight Board.

3. Request Staff to Give a Brief Overview of Duties and Procedures of the Artesia Oversight Board:

Justine Menzel, Assistant Executive Director of the Successor Agency, provided the Board with a brief overview of ABx 1 26, the Brown Act, and the Responsibilities an Oversight Board Members.

4. Resolution Designating Contact for the Department of Finance (12-2100):

Vice Chair Dadian requested that she be designated as Person of Contact to Department of Finance (DOF). With no objections from the Board, Vice Chair Dadian was appointed as Designated Contact to the Department of Finance.

5. Approval of Oversight Board Rules and Procedures:

On motion of Board Member Ray, seconded by Board Member Delawalla, the Board unanimously approved the *Procedural Rules for Oversight Boards Based on Robert's Rules of Order (Abridged) and in Compliance with the Brown Act and ABX1 26.*

Attachment: [Supporting Document](#)

6. Establishment of dates, times and location of the regular meetings of the Oversight Board:

On motion of Board Member Ray, seconded by Board Member Nguyen, the Board unanimously approved to establish regular meetings of the Artesia Oversight Board on the first Wednesday of each September and first Wednesday of each March, at 10:00 a.m. in Artesia City Council Chamber with the option to schedule a Special Meetings as needed.

7. Review, Adopt, and Approve Resolution #OB 12-01 of the Recognized Obligation Payment Schedule for the January 1, 2012 – June 30, 2012 (ROPS1/Exhibit A) and for the Period July 1, 2012 – December 31, 2012 (ROPS2/Exhibit B):

Justine Menzel, Assistant Executive Director of the Successor Agency, provided a staff report and answered questions posed by the Board. Teresa Ho-Urano, Assistant General Counsel to the Successor Agency, was also available to answer questions.

Board Member Delawalla requested Ms. Menzel to provide more information on cash flow, tax increments, and the bonds for Line Item 26: Project Name: Contract, Payee: Traffic Safety Engineers and Line Item 27 on Project Name: Contract, Payee: A.C. E. Civil Engineers on ROPS1/Exhibit A.

Board Member Nguyen requested a copy of the audit provided by the Payee: C & L CPA's on Line Item 9 and 10 on ROPS1/Exhibit A.

Justine Menzel, clarified that although agreements between Successor Agency and the City are currently not recognized as Enforceable Obligations, they are listed on ROPS1/Exhibit A and ROPS2/Exhibit B for visibility. However, there may be future legislation recognizing these items as enforceable obligations.

Board Member Dadian provided a background on the history of the interaction and agreements between the former RDA and the Chamber of Commerce. She also stated that the contract referred to on ROPS1/Exhibit A, Line Item 6, Project Name: Administration, Payee: Chamber of Commerce, was initiated prior to June 2012.

Board Member Delawalla, request ROPS2/Exhibit B, Line Item 13, Project Name: Contract, Payee: Griffith Co., be corrected to reflect the correct total due.

On motion of Board Member Nguyen, Seconded by Board Member Ray, the Board approved the ROPS1/Exhibit A and ROPS2/Exhibit B with the following amendments:

- **On ROPS2/Exhibit B, correct Line Item #13, Project Name: Contract, Payee; Griffith Co. to reflect the corrected amount of \$733,615 in the *Total Due During Fiscal Year 2012-2013* column and add that three**

payments in the amount of \$244,538.33 will be made during July 2012-December 2012.

- 8. Request the Successor Agency to Provide Documentation of all Encumbered and Unencumbered Low and Moderate Housing Funds:**

The Board requested the Successor Agency to provide documentation of encumbered and unencumbered Low and Moderate Housing Funds to be presented at the next meeting.

- 9. Direct the Successor Agency to Report on the Sufficiency of Cash Flow:**

The Board requested the Successor Agency to report on the sufficiency of cash flow at the next meeting.

- 10. Approving Administrative Budget - Resolution No. OB 12-02:**

The Board discussed the Administrative Budget presented by Justine Menzel, Assistant Executive Director of the Successor Agency.

The Board discussed whether the cost for the Oversight Board to retain independent counsel, if any, should be included in the Successor Agency's administrative cost allowance.

Teresa Ho-Urano, Assistant General Counsel to the Successor Agency, reminded the Board members that AB X1 26 is silent on the subject of independent counsel to the Oversight Board and does not provide that the Successor Agency must include expenses relating to any independent counsel to the Oversight Board as a part of the Successor Agency's administrative cost allowance.

The Board noted that AB X1 26 expressly states that Oversight Board members have personal immunity from suit for their actions taken within the scope of their responsibilities as Oversight Board members. Nonetheless, the Board expressed concerns about the cost of defending any lawsuit, even if the Board members will prevail on the merits based on the immunity provided by AB X1 26 and wondered if insurance may be purchased for the Oversight Board members that will provide for the defense in the event of such lawsuits.

Teresa Ho-Urano, Assistant General Counsel to the Successor Agency, told the Board that some of the other successor agencies have received favorable responses from their insurance in response to preliminary inquiries regarding the addition of Oversight Board members to be a part of

the Successor Agency's error and omissions coverage. The Board instructed Staff to look into errors and omissions and general liability insurance and report back to Board at the next meeting.

On motion of Board Member Nguyen, seconded by Board Member Wardle, the Board unanimously approved the Administrative Budget for Exhibit A. January 1, 2012 - June 30, 2012 and Exhibit B, July 1, 2012-December 31, 2012 with the following amendments:

- On Exhibit A, add a line item for Insurance and/or Legal Services for the Oversight Board in the amount of \$5,000.
- On Exhibit B, add a line item for Insurance and/or Legal Services for the Oversight Board in the amount of \$6,101.

AYES: Chair Holt, Vice Chair Dadian, and Board Members Wardle, Nguyen, Ray, and Delawalla

ABSENT: Board Member Lingad

DISCUSSION ITEMS:

11. Discuss and Provide Direction to Successor Agency Staff Regarding Possibility of Oversight Board Legal Counsel:

The item was continued to the next meeting.

12. Matters not on the Posted Agenda (to be Presented and Placed on the Agenda of a Future Meeting):

Chairperson William Holt requested a presentation from the Successor Agency on the Past Thru payments and amounts calculated and disbursed by the County. Justine Menzel, Assistant Executive Director of the Successor Agency, stated that the Pass Thru payments were prepared by the Successor Agency and were listed under Other Obligations. She also stated that they were calculated, approved and submitted to DOF prior to April 15, 2012.

Gloria Considine, Secretary of the Successor Agency, requested that Board Members complete and return their 700 Forms to her by May 30, 2012.

ADJOURNMENT:

The meeting was adjourned at 12:36 p.m. The next Artesia Oversight Board meeting is scheduled for Wednesday, September 5, 2012 at 10:00 a.m. in Artesia City Council Chambers.

**MINUTES FOR THE
SPECIAL MEETING OF THE
CITY OF ARTESIA OVERSIGHT BOARD FOR THE
SUCCESSOR AGENCY TO THE ARTESIA REDEVELOPMENT AGENCY**

Location:

ARTESIA CITY COUNCIL CHAMBERS

Tuesday, July 3, 2012

10:00AM

CALL TO ORDER:

Rhonda Rangel, Oversight Board Administrative Staff, called the meeting to order at 10:04 a.m.

ROLL CALL:

Present: Board Members: Maria Dadian, Becky Lingad, Kathrin Wardle, Ali Delawalla, Toan Nguyen, George Ray, and William Holt (arrived at 10:35 a.m.)

SUCCESSOR AGENCY STAFF:

Gloria Considine, Secretary
Justine Menzel, Assistant Executive Director
Kevin Ennis, General Counsel
Teresa Ho-Urano, Assistant General Counsel
Rhonda Rangel, Los Angeles County Board of Supervisors, Executive Office

ADMINISTRATIVE MATTERS:

1. Approval of minutes from the meeting of May 2, 2012. (12-3008)

Ms. Teresa Ho-Urano stated there was a change in the minutes to correct the spelling of her last name noted in the paragraph of item No. 10 – Administrative Budget. Board Member Nguyen also stated that his name was incorrectly spelled and would need to be corrected.

On motion of Board Member Nguyen, seconded by Board Member Ray, unanimously carried, (Chair Holt being absent), the Board approved the minutes from the meeting of May 2, 2012.

Attachments: [SUPPORTING DOCUMENT](#)

DISCUSSION ITEMS:

2. Insurance Coverage for the Oversight Board as Alternative to Separate Legal Counsel for Oversight Board. (12-3110)

Justine Menzel, Deputy City Manager, provided an overview of the staff report disseminated to the Board regarding insurance coverage for the Board as an alternative to acquiring separate legal counsel.

Kevin Eniss, General Counsel to the Successor Agency, clarified that the proposed policy would provide similar coverage as the City's existing insurance policy. He also noted that Board members may already have coverage through their scope of their jobs with their perspective agencies and explained that having this coverage would cover all members, as well as duplicating coverage that may already be in place for some.

Vice Chair Dadian made note that the final determinations made by the actions of the Oversight Board are ratified through the Department of Finance (DOF). She also stated that should the Oversight Board be involved in any lawsuits, her opinion is that the State would assume higher responsibility.

Board Member Ray stated that he personally would feel more comfortable if the insurance policy was put into place.

On motion of Board Member Lingad, seconded by Board Member Ray, the Board approved to obtain insurance coverage and instructed the Successor Agency to obtain insurance coverage for the Oversight Board through the California Joint Powers Insurance Authority (CJPIA), with the following vote:

Ayes: Board Members Lingad, Ray, Delawalla, and Nguyen

Noes: Vice Chair Dadian and Board Member Wardle

Absent: Chair Holt

Attachments: [SUPPORTING DOCUMENTS](#)

3. Conflict of Interest Code for Oversight Board And Resolution No. OB 12-03. A Resolution of the Oversight Board for the Successor Agency to the Artesia

Redevelopment Agency Approving Adopting a Conflict of Interest Code Containing Designated Positions and Disclosure Categories.

Gloria Considine, Board Secretary, provided background information and made a recommendation that the Oversight Board adopt a Conflict of Interest Code that will contain the designated positions and the disclosure categories for each position of the Oversight Board.

On motion of Board Member Lingad, seconded by Board Member Nguyen, the Board approved to adopt a Conflict of Interest Code containing designated positions and disclosure categories, with the following vote:

Ayes: Vice Chair Dadian, Board Members Lingad, Ray, Delawalla, Nguyen and Wardle

Noes: None

Absent: Chair Holt

Attachments: [SUPPORTING DOCUMENTS](#)

4. Amendment to First and Second Period Recognized Obligation Payment Schedules (ROPS) Relating to the Pioneer Boulevard Improvement Project and the Parking Lot Project And Resolution No. OB 12-04. A Resolution of the Oversight Board for the Successor Agency to the Artesia Redevelopment Agency Approving Amended Recognized Obligation Payment Schedules Pursuant to Health and Safety Code Section 34177 and Taking Certain Actions in Connection Therewith.

Justine Menzel, Deputy City Manager, provided background information on several items listed on the ROPS that were rejected by the Department of Finance (DOF) in a letter dated, May 18, 2012. She stated that the rejected items relate to the Pioneer Blvd Improvement Project and based on the DOF's rejection, the City has prolonged the project in mid-construction due to shortage of funds at a logical and safe point in the project.

Ms. Menzel explained that an Advance and Reimbursement Agreement was entered in 2007 between the City of Artesia and the former Redevelopment Agency with an amendment made in March 2011 to revise the list of projects and dollar amounts to expand the scope of the projects and dollar amounts. She reiterated that the legal binding Agreements were entered prior to AB X126 and AB X127 and noted that in the Agreements, the Redevelopment Agency agreed to reimburse the City for all costs associated with the project using unspent bond funds.

Board Member Delawalla questioned the reason the DOF initially rejected the items in the ROPS and noted he is concerned that there is no legal counsel to advise whether voting to approve is within the Boards scope.

Ms. Menzel stated that the DOF indicated in their letter that the sole reason for the denial was because the contract was between the City of Artesia and the vendor and not, between the Redevelopment Agency.

Kevin Eniss, General Counsel to the Successor Agency, indicated that should the Board approve the item, the Agency is basically seeking another opportunity to have further discussions with the DOF to explain to them that the Agency is obligated to pay for the project based on the previous agreements.

Board Member Delawalla expressed his concern that the Agency is asking the Board to approve a contract that was made between the City and the vendor.

Teresa Ho-Urano, Assistant General Counsel, clarified that the project was always a Redevelopment project and the intent was to allow the City to enter into a contract with the vendor, but use the agreement to reimburse the City for all costs.

Board Member Nguyen asked if whether there was a particular reason the City entered into a Contract with the vendor and not the Agency with the vendor. Mr. Eniss responded that the City is the entity that has more employees and more available resources and traditionally, other projects have also followed the same approach.

Ms. Menzel noted that the prior adopted ROPS shows that there is a funding source that indicates the bonds and advance reimbursement funds were allocated to pay for the projects.

On motion of Board Member Ray, seconded by Board Member Lingad, unanimously carried, the Board approved Oversight Board Resolution No. 12-04, approving amendments to the 1st and 2nd ROPS.

Attachments: [SUPPORTING DOCUMENTS](#)

5. Presentation from the Successor Agency Pass Through Payments, as requested by Chairperson Holt.

Justine Menzel provided a payment schedule showing the Agency's calculations of their pass-through payments which was submitted to the County.

She also presented a report from the County on pass-through payments covering the period of July 1, 2012 through December 31, 2012.

On motion of Board Member Dadian, seconded by Board Member Wardle, unanimously carried, the Board approved to receive and file.

Attachments: [SUPPORTING DOCUMENTS](#)

MISCELLANEOUS:

6. Chair, Board Member and Public Comments. (12-3018)

There was none.

7. Matters not on the posted agenda (to be presented and placed on the Agenda of a future meeting). (12-3019)

Mr. Eniss indicated that due to the upcoming deadlines, an August Board meeting may be necessary.

ADJOURNMENT:

The meeting was adjourned at 11:23 p.m.